TO: Iowa Newspaper Association Member Editors FROM: Iowa Department of Economic Development

DATE: March 22, 2007 RE: "Iowa Innovators"

The "Iowa Innovators" series is a joint project of the Iowa Newspaper Association and the Iowa Department of Economic Development (IDED). The series is an outgrowth of an idea from member INA publishers. "Iowa Innovators" articles describe initiatives that Iowa communities have used to improve their ability to attract business and industry and demonstrate community innovation. The articles also describe Iowa companies on the leading edge of technology, business expansion, workforce development and recycling.

It is hoped that these article ideas can be published locally and spark community and business initiatives statewide. If you have community or business success stories to share, contact IDED, 200 East Grand Ave., Des Moines, IA 50309, 800.245.IOWA (4692) or email: business@iowalifechanging.com.

The following is a list of companies and communities featured in this round of "Iowa Innovators" articles:

- 1. IML Containers of Iowa moves to Le Mars, Iowa in 2006 to offer a better service to Wells' Dairy and other U.S. customers of its innovative in-mold labeling containers. The company, which has invested more than \$5 million at its current location, will create at least 27 new jobs. The Le Mars facility is the first U.S. packaging plant of parent company Groupe Lacroix, a Bois d'Amont, France-based manufacturer that operates 18 packaging plants around the world. In-mold labeling containers offer full photographic quality, top-to-bottom coverage and premium design. Easy to open, the containers can also include a customer's unique tamper-evident system.
- 2. To take advantage of the growing international demand for food products containing the protein-rich, heart-healthy soybean, Soy Innovations International is in the midst of a \$5.2-million expansion in Indianola. Started in 2003, Soy Innovations joined Urbandale-based Triple F's two other divisions: PharmTech International, an animal nutritional feed and ingredients maker, and InstaPro International which manufactures patented dry-extrusion equipment. The 54,000-square-foot building—which increases Soy Innovations capacity to 100 tons of output per day—is equipped with InstaPro systems. Soy Innovations' ingredients are used in bakery, pasta, cereal, confectionery and beverage applications.
- **3. ConAgra Foods** has a consumer-brands portfolio that includes Banquet, Chef Boyardee, Healthy Choice, Hunt's, Marie Callender's and Orville Redenbacher's, among others. The company recently announced that its nine-year-old **Waterloo, Iowa**, pudding plant—where Hunt's branded Snack Pack single-serving puddings are made—would be doubling in size. The Waterloo facility was selected for the expansion over Indianapolis and Menomonie, Wis. According to Scott Budak, plant manager of the Waterloo facility, the 155,000-square-foot, \$46 million expansion should be complete summer 2007. The expansion project will add about 50 jobs—paying an average hourly wage of \$20.38 per hour. Currently, 75 people are employed there.

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IML Containers says 'Oui' to Le Mars

"We are very unique in the food industry, specializing in the manufacturing of flexible plastic packaging. We produce containers that are smaller, softer, reusable and 100 percent recyclable."

So says Steeve Vallee, IML Containers of Iowa plant manager, as he discusses his company's move to Le Mars, Iowa in 2006.

IML chose the Le Mars location to offer a better service to Wells' Dairy and other U.S. customers of its innovative containers.

The Le Mars facility is the first U.S. packaging plant of parent company Groupe Lacroix, a Bois d'Amont, France-based manufacturer that

operates 18 packaging plants around the world.

The company, which has invested more than \$5 million at the Le Mars' location, will create 27 new jobs.

IML's expansion project was awarded a series of tax

credits and abatements from the Iowa Department of Economic Development-administered High Quality Job Creation (HQJC) program.

Since beginning operations in September 2006, IML now has 20 employees and several production lines producing in-mold labeling containers, primarily for the dairy industry.

"Our in-mold labeling containers are packaging solutions for a wide array of food products destined for the grocer's shelves and deli cases," says Vallee.

In-mold labeling containers offer full photographic quality, top-tobottom coverage and premium design. Easy to open, the containers can also include a customer's unique tamper-evident system.

In the ultracompetitive food industry, where companies look for any advantage, packaging is on the front line of product differentiation.

"This injection molding technology allows for much brighter graphics on the package, so it pops out on the shelf," says Wells' Dairy spokesman Dave Smetter. "Since they're reusable containers, you always have your brand front and center with the consumer if they choose to hold on to the container."

IML is producing all the packaging for Wells' new Blue Bunny branded product called Personals. Blue Bunny Personals, an eightounce individual serving of ice cream, come in eight premium flavors and five lite flavors.

Other IML customers include Land O' Lakes, Nestle, Lactalis USA and Bongrain Cheese.

"Containers are shipped to both coasts as well as to customers in Chile and Romania," says Vallee.

In the IML facility, state-of-theart injection molding and robotics equipment—with each production line costing upwards of \$1 million and weighing up to 35 tons—runs 24 hours a day, seven days a week producing containers.

"The thin plastic label is placed

into the mold by robotics, and is infused right into the container during the injection process so it won't rub or crack off, even in a dishwasher," explains Vallee. "In our facility we can easily produce more than three

million parts per week."

According to Vallee, everything to produce the containers—from the plastic to the greases that keep the machines lubricated—is food safe.

"IML is dedicated to producing the highest quality container in the cleanest environment," says Vallee. "Once our customers receive our containers, they are ready to be filled with product without additional cleaning, printing or labeling."

IML Containers isn't the only company located in Le Mars in order to be close to Wells' Dairy, which moved into its new \$26 million company headquarters in fall 2006. BoDeans Baking Co. began its Le Mars operation in 2002. The company supplies Wells' with ice cream cones.

According to owner Dean Jacobson, the past five years have seen BoDeans increase the size of its bakery from 23,000 square feet to 75,000 square feet.

The company, which is also a supplier to Schwan's and Good Humor-Breyers, has increased its employment base from 23 to 75.

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Soy Far, Soy Good

It was while working as a researcher at the University of Illinois that Wilmot Wijeratne first became aware of Triple F Inc.'s innovative soybean extrusion technology.

At the time Wijeratne—who has a Ph.D. in food science—was working on USDA-funded research to develop technologies that make the protein-rich soybean into food for human consumption.

"We were researching nonchemical processing of soybeans for human food applications and we

were using Triple F's InstaPro soybean extruder to make the soy ingredients," says Wijeratne. "This was my first encounter with Triple F and the InstaPro soybean extruder."

But not his last.

Wijeratne continues to actively work on increasing human consumption of soy-based foods, but now it's for Soy Innovations International®, a division of Triple F.

As director of research and food technology, his mission at Soy Innovations is to deliver the finest soy ingredients to the food industry.

"We offer food manufacturers a product mix consisting of low-fat soy flours, textured soy proteins, soy/ rice cereals and soy oil," explains Wijeratne. "Our mechanical manufacturing process is adapted from the InstaPro extruder."

InstaPro technology is a thermal process that subjects soybeans to a high temperature, destroying undesirable enzymes, releasing soybean oil for easy separation and improving the digestibility of soy protein

digestibility of soy protein.

"Because we do not separate the soybean into components, the natural balance of the nutrients is maintained throughout the process," says Wijeratne. "Our products are truly natural."

Soy Innovations' ingredients are used in bakery, pasta, cereal, confectionery and beverage applications.

"Customers also use our products as meat extenders or meat alternatives in vegetarian foods, as well as in energy bars and drinks," says Wijeratne.

Started in 2003, Soy Innovations joined Urbandale-based Triple F's two other divisions: PharmTech International, an animal nutritional feed and ingredients maker, and InstaPro International which

manufactures patented dry-extrusion equipment.

To take advantage of the growing international demand for food products containing the proteinrich, heart-healthy soybean, Soy Innovations is in the midst of a \$5.2-million expansion in Indianola.

Wijeratne says once the project is complete in July 2007, Soy Innovations will double its manufacturing capacity.

The 54,000-square-foot building—which increases Soy Innovations

capacity to 100 tons of output per day—is equipped with InstaPro systems.

"There is a great deal of synergy a mong the three divisions," notes Wijeratne, adding that a Soy Innovations' by-

product is used as an ingredient in some of PharmTech's animal feeds.

According to Wijeratne, the market for soy-based foods is growing rapidly. "The annual U.S. market for foods made with soy in 1992 was \$300 million," he says. "It grew to \$4 billion annually in 2004."

The new production facility, which will be certified as both organic and kosher, will create 12 new jobs. It was leveraged by a \$100,000 award from the Iowa Department of Economic Development-administered Value-Added Agricultural Products and Processes Financial Assistance Program (VAAPFAP).

The project is expected to benefit local soybean growers as well. Soy Innovations is contracting with area farmers for its identity-preserved, non-GMO soybeans and will pay the producers a premium of about \$2 per bushel over the commodity price.

Wijeratne says Soy Innovations' future growth will be contingent on its ability to innovate and diversify its soy product offerings.

"Research and Development will be the key to improving our existing products and developing new products—both internally and in collaboration with land-grant universities," says Wijeratne.

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The Proof is in the Pudding

"A validation of everything our community has to offer business.

That's how Linda Laylin, director of business services for the Greater Cedar Valley Alliance, describes the ConAgra Foods Inc.'s expansion plans for its Waterloo pudding plant.

ConAgra Foods, one of North America's leading packaged food companies, has a consumer-brands portfolio of that includes Banquet, Chef Boyardee, Healthy Choice, Hunt's, Marie Callender's and Orville Redenbacher's, among others.

In 2006, ConAgra announced it would reorganize and streamline its manufacturing operations as part of a long-term plan to control costs. In the reorganization, some plants would expand while others would be shuttered.

"Whenever a company is looking

at several locations for an expansion project, you get nervous,' says Laylin. "But we were confident about our community's total package—an available, skilled workforce, jobtraining opportunities at Hawkeye

Community College, our central location and transportation infrastructure, and a competitive incentive package.

That confidence was well founded after ConAgra announced that its nine-year-old Waterloo pudding plant—where Hunt's branded Snack Pack single-serving puddings are made—would be doubling in size.

The Waterloo facility was selected for the expansion over Indianapolis and Menomonie, Wis.

According to Scott Budak, plant manager of the Waterloo facility, the 155,000-square-foot, \$46 million expansion should be complete summer 2007.

The expansion project will add about 50 jobs—paying an average hourly wage of \$20.38 per hour. Currently, 75 people are employed there.

Leveraging the project were incentives from two Iowa Department of Economic Development-administered programs. A \$150,000 award from the Community Economic Betterment Account (CEBA) and tax benefits from the High Quality Jobs Creation (HQJC) program.

The city of Waterloo is provid-

ing 20 years of graduated property tax abatements and land for future

The highly automated facility, in which the puddings are sterilized and cooled in an all-tubular aseptic processing system, was built on a greenfield in 15 months back in 1998.

In fact, the facility's highly automated design and aggressive construction schedule led it to be named Food Engineering's 1999 Plant of the Year.

Along with the plant's automation, "Another competitive advantage is the skill sets of our people," says Budak. "We have the ability to drive down costs by constantly modifying and updating our equipment."

Laylin agrees, saying "ConAgra officials have told us that This project has leveraged the most skilled and safest workforce with the best-in-class

technology providing low operating costs."

The Cedar Valley area of Waterloo and Cedar Falls has witnessed several economic development coups in the past several years. "Target Corp.,

Principal Financial Group, Deere and Company, Advanced Heat Treat, T8 Design, The VGM Group's Homelink Division and now ConAgra have either located or expanded in the Cedar Valley over the past several years," says Laylin. "We believe these are all votes of confidence in our

However, Laylin says the area isn't about to rest on its laurels.

"We are proactively dealing with a host of economic development initiatives. These include workforce and quality of life issues, as well as riverfront redevelopment," she says. "The communities of the Cedar Valley are working cooperatively so our employers can thrive in a global market.

And as each case of Hunt's Snack Pack pudding rolls off the Waterloo production line, one can safely say this of the Cedar Valley business climate: "The proof is in the pudding."

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